



# Committee On Finance

Max Baucus, Chairman

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## STATEMENT OF SENATOR MAX BAUCUS Congressional Oversight Group Meeting (as prepared for delivery)

I want to welcome Ambassador Zoellick, Co-Chairman Thomas, and Members to the first meeting of the Congressional Oversight Group. I think if there is one thing that almost all Members here agree on, it's the need for a functioning and meaningful consultation process that allows Congress and the Administration to share information and build a common agenda for trade negotiations. The Congressional Oversight Group is a key part of that process.

In the Trade Act of 2002, we included numerous directions from Congress to U.S. trade negotiators. But no single objective is as important as the unstated goal of Congress and the Executive being complete partners in trade negotiations.

In some other fields, the Bush Administration and the Congress have been in conflict over the prerogatives of both branches. I hope that international trade does not become engulfed in similar controversy.

I would remind the Administration that international trade is a unique field. The Constitution explicitly assigns responsibility for trade to Congress, not to the President. In order to facilitate trade negotiations, Congress has agreed to delegate much of its power over international trade through the fast track process. That delegation was, of course, extremely controversial. And barring dramatic political change, fast track will likely remain controversial.

Indeed, the congressional consensus in favor of new trade agreements is weak and uncertain. If this latest grant is misused by the Administration, or if communication breaks down between Congress and the Administration, agreements negotiated under fast track are in jeopardy, and extension of this authority is unlikely. But there is a way to strengthen the partnership on trade. If the Administration embraces the Congress on trade negotiations, the partnership can be strengthened – improving prospects for future trade agreements.

The first important test of that partnership will be the guidelines that Mr. Zoellick is to develop with us in the coming weeks regarding Congressional involvement in trade negotiations. Since we are now in the drafting process, let me pass on my recommendations. First, I strongly believe that all negotiating documents – certainly all of those shared with our trading partners – should also be shared with Congress under appropriate security procedures. Second, I believe the Members of this group or their designees should be allowed, at their election, to attend all negotiating sessions – not as participants, but simply as observers. Third, consultations with the Oversight Group must not be about rubber-stamping Administration positions. There must be meaningful opportunities for the Group to provide input well before the Administration "makes up its mind."

I understand that these modest recommendations will be controversial with those who believe Congress is fundamentally not to be trusted. But frankly I have little patience for those critics. In the vast majority of cases, information shared with Congress is treated with great respect. There have been problems, but I dare say there have been more problems with leaks coming from personnel in the Administration.

In my view, this kind of information sharing is critical to creating partnership and fostering trust and, more importantly, to creating an atmosphere in which approval of trade agreements is likely, not where nail-biting final votes are inevitable.

On substance, particularly with regard to the Chilean and Singapore Free Trade Agreements, we will likely discuss several issues today. Let me add my advice at the outset. For several years there have been bitter disputes over handling labor and environmental issues in trade agreements. In the US-Jordan Agreement, a template was created for balancing competing concerns in this area. In the case of Chile and Singapore, I would urge you to follow the model of the Jordan Agreement exactly. In my opinion, changes in any direction could endanger the agreement.

On the topics of protecting U.S. trade laws and addressing investment issues, Congress has given detailed direction in the Trade Act. I urge you to follow it closely. In these areas, a negotiating mistake could doom an agreement. The vote in the Senate on the Dayton-Craig amendment should always be a reminder as these negotiations go forward.

Let me end by being very blunt. I feel a strong personal stake in the model set down in the 2002 Trade Act for negotiating new trade agreements. I am willing to work with the Administration hand-in-hand to see that model come to fruition, but I am also willing to work against you if I feel the Administration ignores the will of Congress in subsequent trade negotiations. I hope we can work together.